

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 NEA-10 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 EB-08 FEA-01 TRSE-00 AID-05 SAB-02
AGRE-00 /087 W

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R 051922Z AUG 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 8675
INFO AMEMBASSY ABU DHABI
AMEMBASSY BOGOTA
AMEMBASSY JIDDA
USCINCSO QUARRY HEIGHTS CZ
USCINCLANT NRRFOLK VA

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 7763

E.O. 11652: GDS
TAGS: PGOV, PINT, ENRG, EAGR, VE, TC
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 7532

SUMMARY: PRESIDENT PEREZ GOES TO "PANAMA SUMMIT"
IN BOGOTA. PARTY PROFESSIONALS DECRY "BUSINESS WEEK"
ARTICLE STATING INDEPENDENT PRESIDENTIAL CANDIDATES
IN VENEZUELA HAVE A FUTURE. UAE PETROLEUM MINISTER
IN TOWN. MEP ASKS GOV TO RELEASE DEPUTY SALOM MESA.
MAS NAMES RANGEL ITS PRESIDENTIAL CANDIDATE, BUT
DISSIDENTS ACCUSE THE PARTY LEADERSHIP OF "IDEOLOGICAL
TERRORISM." LAWYERS FOR THE CUBANA AIRLINER DEFEND-
ENTS CLAIM PERSECUTION AFTER JUDGE JAILS THEM.
VENEZUELA EXPECTS RECORD GRAIN HARVEST--A MIXED
BLESSING. END SUMMARY.

1. PRESIDENT PEREZ FLYS TO "PANAMA SUMMIT" IN
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BOGOTA. PRESIDENT PEREZ DEPARTS AT NOON TODAY FOR
THE MEETING IN BOGOTA WITH PRESIDENTS LOPEZ PORTILLO
OF MEXICO, LOPEZ MICHELSEN OF COLOMBIA, PRIME MINISTER
MANLEY OF JAMAICA, AND GENERAL TORRIJOS OF PANAMA.
IN ADDITION TO THE PRINCIPAL CANAL TOPIC, PRESIDENT
PEREZ IS EXPECTED TO DISCUSS ANDEAN PACT MATTERS
WITH HIS COLOMBIAN COUNTERPART.

2. PARTY PROFESSIONALS DECRY BUSINESS WEEK ARTICLE STATING THERE IS A FUTURE FOR INDEPENDENT PRESIDENTIAL CANDIDATES. ON JULY 31, THE CARACAS PRESS PUBLISHED AN AP STORY FROM NEW YORK REPORTING THAT BUSINESS WEEK CARRIED AN ARTICLE ON THE LOCAL VENEZUELAN POLITICAL SITUATION. ACCORDING TO THE AP REPORT, THE ARTICLE STATED THAT VENEZUELA IS RIPE FOR AN ATTRACTIVE INDEPENDENT POLITICAL PRESIDENTIAL CANDIDATE. THE ARTICLE CRITICIZED THE PEREZ GOVERNMENT, STATING THAT INFLATION, POSSIBLE DEVALUATION, SHORTAGES OF BASIC PRODUCTS, DETERIORATION IN PUBLIC SERVICES, CRIME, AND ADMINISTRATIVE CORRUPTION HAVE WEAKENED THE POLITICAL BASE OF AD. THE ARTICLE COMMENTED FURTHER THAT WHILE INFORMATION MINISTER DIEGO ARRIA'S POTENTIAL CANDIDACY HAS NO CHANCE OF PUTTING HIM IN THE PRESIDENTIAL PALACE, IT MIGHT WELL PROVIDE HIM WITH A BASE OF SUPPORTERS IN THE CONGRESS. AD/COPEI SPOKESMEN REDICULED THE ARTICLE'S THESIS THAT INDEPENDENT CANDIDATES HAVE A FUTURE IN VENEZUELAN POLITICS, WHILE THE PCV DENOUNCED THE ARTICLE AS A "MANEUVER" BY US TNCs IN SUPPORT OF ARRIA'S CANDIDACY. COMMENT: WE ARE REPORTING THIS DEVELOPMENT BRIEFLY TO SIGNAL TO THE DEPARTMENT THE SENSITIVITY OF VENEZUELAN POLITICIANS TO US COMMENTARY ON VENEZUELA, PARTICULARLY WHEN IT TREATS OF LOCAL POLITICAL ISSUES. CONFIDENTIAL

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3. UAE OIL MINISTER HERE TO DISCUSS OPEC PRICES. PETROLEUM MINISTER MANA AL-OTAIBA OF THE UNITED ARAB EMIRATES MET WITH PRESIDENT PEREZ AND MINISTER OF ENERGY HERENANDEZ DURING A FOUR DAY VISIT, DISCUSSING SOLIDARITY AND BILATERAL COOPERATION WITHIN OPEC AND OIL PRICES. OTAIBA'S VISIT COMES LESS THAN A MONTH AFTER OPEC'S STOCKHOLM MEETING, WHICH FIXED CARACAS AS THE SITE OF THE NEXT MINISTERIAL MEETING ON DECEMBER 20. ONE SOURCE TOLD US THAT OTAIBA WAS ATTEMPTING TO ENLIST VENEZUELA'S SUPPORT EARLY FOR A SAUDI-UAE EFFORT TO HOLD THE LINE ON OIL PRICES AT LEAST THROUGH JULY 1978.

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R 051922Z AUG 77
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USCINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 7763

4. MEP ASKS GOV TO RELEASE DEPUTY SALOM MESA. ON AUGUST 2 SPOKESMAN FOR MEP (MOVIMIENTO ELECTORAL DEL PUBLLO) CALLED FOR THE RELEASE OF MEP DEPUTY SALOM MESA, WHO COMPLETED ONE YEAR IN PRISON TWO DAYS LATER FOR COMPLICITY IN THE NIEHOUSE CASE (CARACAS 7532). PRIETO FIGUEROA, MEP PRESIDENT, HARSHLY CRITICIZED THE GOV'S HANDLING OF THE CASE, AND NOTED IN PARTICULAR THAT THE LEGAL PROCESS IS UNCONSTITUTIONAL BECAUSE THE DEPUTY IS BEING TRIED IN A MILITARY COURT CONTRARY TO THE LAW, WHICH SPECIFIES THAT HE CAN BE TRIED ONLY FOR CHARGES BROUGHT BY THE CHAMBER OF DEPUTIES AND/OR THE SUPREME COURT. (SALOM MESA HAS REFUSED TO TESTIFY BEFORE THE MILITARY COURT BECAUSE OF THESE "IRREGULARITIES.") FURTHER, PRIETO CHARGED THAT THE GOV HAS NO EVIDENCE OF THE DEPUTY'S GUILT AND HAS THEREFORE DELIBERATELY STALLED THE TRIAL PROCESS. MEP ALSO HELD A RALLY AUGUST 4, DEMANDING SALOM MESA'S RELEASE AND PETITIONED THE SUPREME COURT AS WELL. COMMENT: MEP'S PUBLICITY CONTAINED ITS STANDARD POSITION ON THE CASE WHICH, IN EFFECT, IS THAT SALOM MESA WAS RAILROADED INTO JAIL BY THE GOV. WHILE THE PUBLICITY IS NOT STARTLING IN ITSELF, THE FACT THAT NO DECISION HAS YET BEEN RENDERED IN THIS CASE MAY INDICATE THAT

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THE GOV IS, IN FACT, HAVING A RATHER DIFFICULT TIME BRINGING TOGETHER SUFFICIENT EVIDENCE TO CONVICT SALOM MESA, ALTHOUGH THE TOP LEVELS OF THE GOV REMAIN CONVINCED THAT HE WAS ONE OF THE "INTELLECTUAL AUTHORS" OF THE NIEHOUS KIDNAPPING AND THE GOV CONTINUES PRESSING ITS INVESTIGATION.

4. MAS NAMES JOSE VINCENT RANGEL ITS PRESIDENTIAL CANDIDATE--
BUT DISSIDENTS ACCUSE THE PARTY LEADERSHIP OF "IDEOLOGICAL TERRORISM.

FOLLOWING TWO WEEKS OF PROMOTIONAL ACTIVITIES (CARACAS 7375)
THE MOVEMENT TOWARD SOCIALISM (MAS) PARTY CONVENTION JULY 30-31
NOMINATED JOSE VINCENT RANGEL AS THE PARTY STANDARD BEARER IN THE
1978 PRESIDENTIAL ELECTIONS. FOLLOWING RANGEL'S VIRTUALLY
UNANIMOUS NOMINATION, DISSENT BROKE OUT OVER THE SELECTION OF
MEMBERS FOR THE PARTY'S NATIONAL EXECUTIVE COMMITTEE. DEPUTY
GERMAN LAIRET, AN EX-GUERRILLA AND CO-FOUNDER OF THE PARTY WITH
TEODORO PETKOFF, ACCUSED SECRETARY GENERAL POMPEYO MARGUEZ
AND PETKOFF (JUST NAMED DEPUTY SECRETARY GENERAL) OF CREATING A
CLIMATE OF "INTOLERANCE AND DISTRUST AND IDEOLOGICAL TERRORISM"
WITHIN THE PARTY. THE DISSIDENTS ISSUED A SEVEN POINT DOCUMENT
WHICH FAULTED THE LEADERSHIP FOR SUPPRESSING DISSENT AND USING
"STALINIST TACTICS." FURTHER, LAIRET COMPLAINED THAT PETKOFF
HAD BEEN FOSTERING A PERSONALITY CULT ("TEODORISM"). PETKOFF'S
FOLLOWERS WON 19 OF THE 35 SEATS ON THE NATIONAL EXECUTIVE BODY,
WHILE THE POMPEYO MARQUEZ FACTION GARNERED THE REMAINING 16
SEATS. PETKOFF DENIED THE CHARGES AND SAID PUBLIC DISCUSSION OF
THE DISSENTER'S VIEW WAS SERVING THE ENEMIES OF THE PARTY.
COMMENT: JOSE VINCENT RANGEL'S NOMINATION WAS A FOREGONE CON-
CLUSION SINCE ALL FACTIONS OF MAS HAD AGREED THAT HE WOULD BE THE
MOST ATTRACTIVE CANDIDATE. EARLIER IN THE YEAR, IDEOLOGUE
PETKOFF HAD CAMPAIGNED FOR THE NOMINATION, BUT DROPPED OUT WHEN
THE PARTY HIERARCHY DECIDED THAT HIS IMAGE WAS TOO "REVOLUTIONARY"
GIVEN HIS GUERRILLA BACKGROUND AND HIS REVISIONIST BUT NONETHELESS
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CLEARLY MARXIST IDEOLOGY. HOWEVER, IT WOULD APPEAR THAT FOUNDER
PETKOFF STILL HAS A STRONG HOLD ON A MAJORITY OF THE PARTY'S
IMPORTANT POLITICIANS AND HE WON A CLEAR MAJORITY OF THE SEATS
ON THE NATIONAL EXECUTIVE COMMITTEE. LAIRET'S ATTACK ON PETKOFF
MAY BE BASED PARTLY ON PERSONAL SPITE, BUT ALSO PROBABLY REFLECTS
THE FEAR THAT PETKOFF AND HIS SUPPORTERS WILL NUDGE RANGEL
TO TAKE A MORE "REVOLUTIONARY LINE" THAN HE WOULD OTHERWISE BE
DISPOSED TO DO, THUS ALIENATING POTENTIAL VOTERS. LAIRET'S
PUBLIC OUTBURST CERTAINLY DEMONSTRATED ONCE AGAIN THE DEGREE OF
FACTIONALISM AMONG VENEZUELAN MARXISTS, FACTIONALISM THAT THE
"MASISTAS" HAVE WORKED HARD TO COVER UP. FURTHER, THE UNKINDEST
CUT OF ALL WAS TO PUBLICLY ACCUSE PETKOFF OF "STALINIST TACTICS,"
SINCE PETKOFF HIMSELF WAS EXPELLED FROM THE PCV IN 1970 AFTER HE
WROTE A RINGING DIATRIBE AGAINST THE SOVIET INVASION OF PRAGUE.

5. LAWYERS FOR CUBANA AIRLINER DEFENDENTS CLAIM PERSECUTION
AFTER JUDGE JAILS THEM FOR INSULTS. THE FOUR LAWYERS FOR THE
CUBANA AIRLINER DEFENDENTS WHO ARE NOW IN JAIL (CARACAS 7532),
PLACED A SECOND FULL-PAGE NOTICE TO JUDGE ESTAVA IN THE AUGUST 2
EDITION OF EL NACIONAL IN WHICH THEY ACCUSED HER OF PERSECUTING
THEM, TREATING THEM AS "HER ENEMIES" AND ONCE AGAIN OF SUBMITTING
THE JUDICIAL PROCESS TO THE "PAREDON." IN THE SAME PAGE, THEY
REPRINTED AN ARTICLE FROM THE NEWSPAPER EL MUNDO WRITTEN BY

RAFAEL POLEO IN WHICH HE DESCRIBED HIS EFFORTS TO VISIT THE LAWYERS IN PRISON. POLEO WAS SUBJECTED TO WHAT HE CALLED A "SESSION OF ROULETTE." HE WAS SENT FROM ONE OFFICIAL TO ANOTHER, BUT TO NO AVAIL, SINCE A MYSTERIOUS "HIGHER AUTHORITY" HAD PROHIBITED ANY OUTSIDER FROM ACCESS TO THE LAWYERS. ON AUGUST 3 THE LAWYERS THEN PUBLISHED A LETTER TO DR. PEDRO ELIAS RODRIGUEZ, PRESIDENT OF THE JUDICIARY COUNCIL, DEMANDING THAT HE INVESTIGATE THE PROPRIETY OF DR. ESTAVA'S BEHAVIOR. COMMENT: AS NOTED LAST WEEK, THE JAILING OF THE LAWYERS HAS INDEED HANDED THEM ANOTHER CAUSE TO CHAMPION, AND THEY ARE CAPITALIZING ON IT TO THE FULLEST.

6. VENEZUELA EXPECTS RECORD GRAIN HARVEST--A MIXED BLESSING. NUMEROUS NEWSPAPER ACCOUNTS DURING RECENT WEEKS HAVE HIGHLIGHTED CONFIDENTIAL

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VENEZUELA'S ANTICIPATED RECORD 1977 OUTPUT FOR ITS MAJOR GRAIN PRODUCTS--CORN, GRAIN SORGHUM, AND RICE. THE TOTAL COMBINED OUTTURN IS FORECAST AT NEARLY 1.5 MILLION METRIC TONS, COMPARED WITH ABOUT 950,000 TONS IN 1976--MORE THAN A 50 PERCENT INCREASE. THE EXPECTED INCREASE IS ATTRIBUTED TO EXCELLENT WEATHER CONDITIONS IN THE MAJOR PRODUCING REGIONS (SEE FAS, VZ-7030). COMMENT: WHILE VENEZUELA MAY ENJOY A RECORD GRAIN HARVEST THIS YEAR, REPORTED PROBLEMS OF INSUFFICIENT STORAGE CAPACITY MAY DAMPEN THE ENTHUSIASM. PRESENT NATIONAL STORAGE CAPACITY IS ESTIMATED AT OVER 2 MILLION TONS, ONLY ENOUGH TO ABSORB ABOUT TWO-THIRDS OF THE ESTIMATED NATIONAL GRAIN UTILIZATION. ADAGRO, THE GOVERNMENT STORAGE AGENCY, STATES THE CURRENT CONSTRUCTION PROGRAM SHOULD BE COMPLETED OR NEARLY COMPLETED BY THE END OF THE YEAR--TOO LATE FOR THE CURRENT GRAIN HARVEST.

7. OTHER REPORTING THIS WEEK INCLUDED BANZER VISIT TO VENEZUELA (CARACAS 7600), ARMS TRANSFER DELAYS (CARACAS 7640), BOLIVIAN ACCESS TO THE SEA (CARACAS 7745), VENEZUELAN TAX ON EXIM BANK (CARACAS 7572), ANDEAN PACT SUMMIT MEETING PROPOSAL (CARACAS 7599), PORT CONGESTION (CARACAS 7598), OWENS-ILLINOIS INVESTMENT DISPUTE (CARACAS 7570), AND MAJOR PROJECTS - SHIPBUILDING (CARACAS 7544) AND IVP BECOMES A CORPORATION (CARACAS A-108).
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Message Attributes

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